



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8**

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Ref: 8ENF-L

April 27, 2012

Tom Bakaly, City Manager
Joan Card, Environmental Regulatory Affairs Manager
Tom Daley, Deputy City Attorney
Park City Municipal Corporation
445 Marsac Avenue
P.O. Box 1480
Park City, Utah 84060-1480

RE: Richardson Flat Tailings Site, Park City, Utah

Dear Mr. Bakaly and Ms. Card and Mr. Daley:

This is in response to the letter of March 14, 2012, from Lori Potter of Kaplan Kirsch and Rockwell, to Andrea Madigan, Enforcement Attorney for the U.S. Environmental Protection Agency (EPA), and Ms. Card's e-mail of March 30, 2012, to the EPA Region 8 Regional Administrator. This also serves to confirm our discussion of April 4, 2012, by telephone conference call.

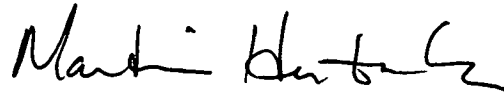
The EPA has been working diligently to negotiate a multi-party settlement agreement among potentially responsible parties: Park City Municipal Corporation (Park City) and United Park City Mines (UPCM), and state and federal environmental agencies: the United States Environmental Protection Agency (EPA), the United States Department of Interior on behalf of the Bureau of Land Management and the Fish and Wildlife Service, and the State of Utah on behalf of the Utah Department of Environmental Quality and the Utah Department of Parks and Recreation. These negotiations involve an administrative consent order whereby Park City and UPCM will take action to clean up contamination in and around Park City that currently poses a threat to human health and the environment, assess damages to natural resources, and identify restoration alternatives. These activities will be performed by Park City and UPCM subject to oversight by state and federal environmental agencies. As part of these negotiations, the EPA has sought to facilitate an agreement between Park City and UPCM allocating responsibility for response costs in accordance with the broad agreement in principle reached between the parties in February 2011.

Park City has requested the EPA to broaden its commitment beyond what was agreed to in February 2011 with regard to removal assessments in the Upper Watershed. As we discussed on our conference call, the EPA has the authority to take action under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) to address releases of hazardous substances that pose a threat to human health or the environment and there is nothing in the proposed settlement agreement that

alters or otherwise limits this authority. Further, the EPA is prepared to review the assessment reports issued by the Utah Department of Environmental Quality to determine if further evaluation is necessary or appropriate for the five following sites: California Comstock, Treasure Hollow, Ontario Mill, Ontario Mine and Silver King Mine.

I hope we have addressed your concerns. If you have any other questions, please feel free to call me at 303 312-6776.

Sincerely,



Martin Hestmark
Acting Assistant Regional Administrator
Office of Ecosystems Protection
and Remediation

cc: Lori Potter, Esquire

